

**breakaway**

Thursday, 14 October 2010

Mr Cameron Bill  
Advisor, Issuers (Perth)  
ASX Compliance Pty Limited  
Level 8 Exchange Plaza, 2 The Esplanade  
PERTH WA 6000

By facsimile (08) 9221 2020

Dear Sir

I refer to your letter dated 13/10/2010 and respond to the questions in the order set out in that letter.

1. Yes, Breakaway Resources Limited (the "Company") considers the information in the Announcement entitled "Eloise Copper Mine – Market Update" dated 13/10/2010 to be material pursuant to Listing Rule 3.1.
2. The Company was informed by FMR Investments Pty Ltd ("FMR" - the owners of the mine) that the terms of a Mining Contract and Offtake Agreement were being negotiated on 11/10/2010 at approximately 2.30pm WST.

The Company became aware of the Eloise Mine's planned reopening date on the 12/10/2010 at approximately 10am WST. Upon being made aware of this, the Company requested a Trading Halt in its securities at approximately 10.30am WST.

The Company was informed by FMR that the Eloise Mine Offtake Agreement had been signed on 12/10/2010 at approximately 9.30pm WST. This notification was received after the commencement of the Trading Halt.

The Company lodged the Announcement at approximately 10.30am WST on the 13/10/2010.

3. Whilst the Company was aware that the terms of the Mining Contract were (and still are) being negotiated on 11/10/2010, the Company was in no position to release any information to the market due to it being an incomplete proposal or negotiation as envisaged in Listing Rule 3.1A.3.

Whilst the Company was aware that the Offtake Agreement was being negotiated on 11/10/2010, the Company was in no position to release any information to the market due to it being an incomplete proposal or negotiation as envisaged in Listing Rule 3.1A.3.

4. Not applicable.

5. The Company confirms that it is in compliance with Listing Rule 3.1.

Yours sincerely,

David Hutton  
Managing Director



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2 The Esplanade  
PERTH WA 6000

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PERTH WA 6840

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13 October 2010

Messrs Simon Storm & David Hutton  
Breakaway Resources Limited  
Level 2, 23 Ventnor Avenue  
WEST PERTH WA 6005

By Email: [simon.storm@dorado.com.au](mailto:simon.storm@dorado.com.au); [David.Hutton@breakawayresources.com.au](mailto:David.Hutton@breakawayresources.com.au)

Dear Simon & David,

### **Breakaway Resources Limited (the "Company")**

We refer to the announcement lodged by the Company to ASX Limited ("ASX") and announced today at 1:23 PM (E.S.T) titled "Eloise Copper Mine - Market Update" ("Announcement") regarding an offtake agreement and negotiations for mining contract terms ahead of the planned reopening of the Eloise Copper Mine in November 2010 ("Update").

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

*"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity"*

Further, we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A. Please note that for disclosure not to be required under this listing rule all of the exceptions must apply.

Having regard to the above definition, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 19.7A.

1. Does the Company consider the Update to be material to the Company pursuant to listing rule 3.1?
2. When did the Company become aware of the information contained in the Update or part of it? In your response to this question please indicate the date and approximate time the Company became aware.
3. If the answer to any part of question 1 is "yes" and the Company became aware of the Update or part of it prior to the release of the Announcement, please advise the following:
  - 3.1 Please advise why the Company did not make an announcement at an earlier time or request a trading halt prior to the Announcement?

- 3.2 Why was the information not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1?
4. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Update to be material.
5. Please confirm that the Company is in compliance with listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

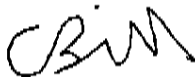
Please note the ASX reserves its right under listing rule 18.7 to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00pm (W.S.T) tomorrow, being Thursday 14 October 2010.**

Your response should be sent to ASX by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

If you have any queries regarding any of the above, please contact me on (08) 9224 0054.

Yours sincerely,



Cameron Bill

**Adviser, Issuers (Perth)**